

The Board of Directors of China Haida Ltd. is pleased to announce the consolidated results of the Group for the half year ended 30 June 2019.

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, & Q3) HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
合并利润报表
(Amounts expressed in thousands of Chinese
Renminbi ("RMB") currency)

These figures have not been audited

Revenue	销售收入
Cost of sales	销售成本
Gross profit	毛利
Gross profit margin	毛利率
Other operating income	其他收入
Selling and distribution expenses	营业费用
Administrative expenses	管理费用
Loss from operations	营业亏损
Finance costs	财务费用
Write back of impairment loss on financial asset, net (see below *)	冲回金融资产减值
Loss before taxation	税前亏损
Taxation	所得税
Loss after taxation	税后亏损
Other comprehensive income/(loss):	其他亏损/收入:
Currency translation differences	汇兑损益
Total comprehensive loss attributable to equity holders of the company	股东应承担总亏损

THE GROUP		
1 Jan 19 to 30 Jun 19 HY2019	1 Jan 18 to 30 Jun 18 HY2018	Variance Increase / (Decrease)
RMB'000	RMB'000	%
96,741	100,726	(4.0)%
(87,279)	(98,208)	(11.1)%
9,462	2,518	275.8 %
9.8%	2.5%	7.3 %
738	911	(19.0)%
(2,521)	(3,294)	(23.5)%
(8,865)	(8,942)	(0.9)%
(1,186)	(8,807)	(86.5)%
(530)	(521)	1.7 %
785	-	NM
(931)	(9,328)	(90.0)%
-	-	NM
(931)	(9,328)	(90.0)%
30	(44)	(168.2)%
(901)	(9,372)	(90.4)%

* Amount was recoverable from trade debtors which had been impaired previously in FY2018.

Explanatory Notes
A Loss before taxation

The following items have been included in arriving at a loss before taxation:

		THE GROUP	
		1 Jan 19 to 30 Jun 19 HY 2019 RMB '000	1 Jan 18 to 30 Jun 18 HY 2018 RMB '000
	Note		
Other Operating income:	其他收入		
- Interest income on bank deposits	(1) 利息收入	34	112
- Sales of scraps and raw materials	(2) 废料收入	455	474
- Government grant / incentive	(3) 政府津贴	249	309
- Gain on disposal of PPE - net	处置固定资产的 收益	-	16
		738	911
Foreign exchange loss - net	(4) 外汇亏损	(84)	(33)
Interest expenses	(5) 利息费用	(530)	(521)
Amortisation of lease prepayments	分摊预付土地使用费	(150)	(150)
Depreciation of property, plant and equipment (PPE)	(6) 固定资产折旧费	(2,711)	(2,900)

Note

(1) Interest income for HY2019 was lower than HY2018. The weighted average bank deposit rate for the current period was 0.035% per annum which was lower than the weighted average bank deposit rate for HY2018 of 0.30% per annum.

(2) Income from sales of scraps and raw materials was lower due to the lower volume of sales for the current period.

(3) This comprised of the following:

	30 June 2019	30 June 2018
	RMB	RMB
- Global expansion incentive grant to our wholly-owned subsidiary, Jiangyin Litai Ornamental Materials Co., Ltd. ("Litai") by:		
PRC government	53,000	110,000
Jiangsu Province	196,000	196,000
- an employment credit incentive given by the Singapore government	-	3,000
Total:	<u>249,000</u>	<u>309,000</u>

(4) A higher foreign exchange loss was recorded for HY2019 due to the strengthening of the USD against the RMB during the last six months.

(5) The interest expense was comparable to HY2018. The weighted average interest rate of 3.99% per annum remained the same as the previous period.

(6) Lower depreciation was recorded for HY2019 which was attributed mainly to certain assets which had been fully depreciated during the period under review.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION 资产负债表

(Amounts expressed in thousands of Chinese

Renminbi ("RMB") currency)

	THE GROUP		THE COMPANY	
	As at 30Jun19 RMB'000	As at 31Dec18 RMB'000	As at 30Jun19 RMB'000	As at 31Dec18 RMB'000
	Unaudited	Audited	Unaudited	Audited
Non-current assets				
Property, plant and equipment	41,894	44,324	684	722
Investment in a subsidiary	-	-	120,132	119,342
Lease prepayments	10,214	10,211	-	-
Current assets				
Lease prepayments	150	302	-	-
Inventories	51,057	51,574	-	-
Trade and bills receivables	87,771	105,688	-	-
Other receivables, deposits and prepayments	5,131	4,285	289	129
Advance payments to a related party	40,312	23,467	-	-
Due from related parties (trade)	26,144	17,261	-	-
Cash and bank balances	18,154	25,023	4,581	7,479
Total current assets	228,719	227,600	4,870	7,608
TOTAL ASSETS	280,827	282,135	125,686	127,672
Current liabilities				
Trade payables	27,899	22,655	-	-
Other payables and accruals	7,374	11,239	882	1,153
Due to a subsidiary (non-trade)	-	-	2,255	2,261
Short-term bank loans	22,000	22,000	-	-
Contract liabilities	-	1,786	-	-
	57,273	57,680	3,137	3,414
Non-current liabilities				
Deferred tax liabilities	1,182	1,182	-	-
TOTAL LIABILITIES	58,455	58,862	3,137	3,414
NET ASSETS	222,372	223,273	122,549	124,258
SHAREHOLDERS' EQUITY				
Share capital	140,543	140,543	140,543	140,543
Statutory reserve fund	23,367	23,367	-	-
Capital reserve	47,946	47,946	-	-
Currency translation reserve	274	244	2,011	5,955
Revenue reserve/(Accumulated losses)	10,242	11,173	(20,005)	(22,240)
TOTAL EQUITY	222,372	223,273	122,549	124,258

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

- (1) During the period under review, there was an addition to PPE for Litai of approximately RMB0.3 million for the purchase of machinery and equipment. However, lower fixed assets were recorded in HY2019 due to certain assets which had been fully depreciated during the period under review.
- (2) As at 30 June 2019, the inventory balance was comparable to the balance at the beginning of the year.
- (3) Trade receivables as at 30 June 2019 was lower as compared to the balance as at 31 December 2018, which was attributed mainly to the lower sales and better collection in HY2019.

An analysis of trade receivables balances was as follows:

	As at 30.6.2019	As at 31.12.2018
	RMB'000	RMB'000
Trade receivables	108,008	125,215
Less allowance for impairment	(24,679)	(24,679)
Add write back of impairment	<u>785</u>	<u>-</u>
	84,114	100,536
Bills receivables	<u>3,657</u>	<u>5,152</u>
Total receivables	<u>87,771</u>	<u>105,688</u>

- (4) As at 30 June 2019, there was an advance payment to a related party, Jiangyin Haida Caitu Co., Ltd. ('Çaitu') of approximately RMB40.3 million for the purchase of raw materials. (31 December 2018: RMB23.5 million).

Higher advances during HY2019 were mainly due to the delay in receiving the raw materials from the supplier. The supplier is currently in the process of upgrading its production facilities and hence delivery of raw materials ordered would be expected to be received only in the next three months.

Litai on its own standing was unable to purchase directly from the aluminium supplier and has to order via Caitu under its bulk order with the supplier. In July 2019, approximately RMB2.8 million of raw materials were received by Litai.

- (5) As at 30 June 2019, there was an outstanding amount of approximately RMB26.1 million owing by 2 related parties (trade), Jiangyin East-China Aluminium Technology Co., Ltd ('Jiangyin East-China') of approximately RMB25.9 million (FY2018: RMB15.9 million) and Jiangyin Comat Metal Products Co., Ltd ('Jiangyin Comat') of approximately RMB0.2 million (FY2018: RMB1.4 million), attributed to the sales of spray-painting services and sales of aluminium panels by Litai respectively.

The amount RMB0.2 million owing by Jiangyin Comat had since been fully repaid in July 2019. Jiangyin East-China repaid RMB1.5 million in July 2019 and the balance to be cleared in the second half of the year.

- (6) There was a decrease of cash and bank balances of approximately RMB6.9 million as at 30 June 2019. This was due to cash used in operating activities of approximately RMB6.6 million and the purchase of PPE of approximately RMB0.3 million.
- (7) As at 30 June 2019, the short-term bank loan was unchanged at RMB22.0 million. (31 December 2018: RMB22.0 million)

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	THE GROUP	
	As at 30 Jun 2019	As at 31 Dec 2018
	Secured	Secured
	RMB '000	RMB '000
Amount repayable in one year or less, or on demand	22,000	22,000

Details of any collaterals

As at 30 June 2019, the bank loans of RMB22.0 million were secured by leasehold building and land use rights with net carrying values of approximately RMB2,285,000 and RMB1,110,000 respectively (net carrying values as at 31 December 2018 were RMB2,880,000 and RMB1,130,000 respectively). In addition, the RMB22.0 million bank loans were also secured by the personal guarantee of the Chief Executive Officer. Interest on these bank loans was charged at the weighted average interest rate of 3.99% per annum. (31 December 2018: 3.99% per annum)

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED CASH FLOW STATEMENT
(Amounts expressed in thousands of Chinese
Renminbi ("RMB") currency)
These figures have not been audited.
Cash flows from operating activities

Loss before taxation

Adjustments for:

Amortisation of lease prepayment

Gain in disposal of PPE

Write back of impairment of financial asset, net

Depreciation of property, plant and equipment

Interest expenses

Interest income

Translation difference

Operating profit/(loss) before working capital changes

Inventories

Trade and bills receivables

Other debtors, deposits and prepayments

Due from related parties

Trade and other payables

Advance payment to a related party

Cash used in operations

Interest received

Interest paid

Net cash used in operating activities

Cash flows from investing activities:

Purchase of property, plant and equipment (PPE)

Proceeds from disposal of PPE

Net cash used in investing activities

Cash flows from financing activities:

Proceeds from short-term bank loans

Repayment of short-term bank loans

Net cash from financing activities

Net decrease in cash and cash balances

Cash and bank balances at the beginning of period

Cash and cash equivalents at the end of period

THE GROUP	
6 months ended 30 June	
2019	2018
RMB'000	RMB'000
	(9,328)
(931)	(9,328)
150	150
-	(16)
(785)	-
2,711	2,900
530	521
(34)	(112)
24	(43)
1,665	(5,928)
517	(9,281)
18,702	16,075
(846)	(2,547)
(8,883)	(9,898)
(407)	(7,866)
(16,845)	10,340
(6,097)	(9,105)
34	112
(530)	(521)
(6,593)	(9,514)
(276)	(365)
-	35
(276)	(330)
22,000	22,000
(22,000)	(22,000)
-	-
(6,869)	(9,844)
25,023	52,193
18,154	42,349

STATEMENTS OF CHANGES IN EQUITY
(Amount expressed in thousands of Chinese Renminbi (“RMB”) currency).

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to equity holders of the Company

GROUP	Share capital	Statutory reserve fund	Capital reserve	Currency translation reserve	Revenue reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2018	140,543	23,367	47,946	(776)	41,177	252,257
Total comprehensive loss for the period	-	-	-	(44)	(9,328)	(9,372)
Balance as at 30.6.2018	140,543	23,367	47,946	(820)	31,849	242,885
Balance as at 1.1.2019	140,543	23,367	47,946	244	11,173	223,273
Total comprehensive loss for the period	-	-	-	30	(931)	(901)
Balance as at 30.6.2019	140,543	23,367	47,946	274	10,242	222,372

COMPANY	Share capital	Currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2018	140,543	(3,135)	(17,358)	120,050
Total comprehensive loss for the period	-	(245)	(2,785)	(3,030)
Balance as at 30.6.2018	140,543	(3,380)	(20,143)	117,020
Balance as at 1.1.2019	140,543	5,955	(22,240)	124,258
Total comprehensive loss for the period	-	(3,944)	2,235	(1,709)
Balance as at 30.6.2019	140,543	2,011	(20,005)	122,549

- 1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the issued and paid-up share capital of the Company since the previous financial period ended 30 June 2019. The total number of issued shares excluding treasury shares and subsidiary holdings of the Company was 254,880,660 ordinary shares as at 30 June 2019 and 30 June 2018 respectively. The Company has no outstanding convertibles, no treasury shares and no subsidiary holdings as at 30 June 2019 and 30 June 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	THE COMPANY	
	As at 30 Jun 2019	As at 30 Jun 2018
Total number of issued shares	254,880,660	254,880,660
Less: Treasury shares	-	-
Total number of shares excluding treasury shares	254,880,660	254,880,660

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company has no subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest annual audited financial statements for the financial year ended 31 December 2018 except as described in section 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the Singapore Financial Reporting Standards (International) ("FRS(I)s") that are effective for the annual periods beginning on or after 1 January 2019 and are relevant to its operations. The adoption of these new FRS(I)s does not result in any changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current financial period or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	THE GROUP	
	1 Jan 2019 to 30 Jun 2019	1 Jan 2018 to 30 Jun 2018
Loss after taxation / 净亏损 (RMB '000)	(931)	(9,328)
Weighted average number of ordinary shares on issue applicable to earnings / 普通股总计	254,880,660	254,880,660
Loss per ordinary share (RMB cents)/每股亏损 (分) - Basic & Diluted / 基本和稀释	(0.4)	(3.7)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **current financial period reported on; and**
- (b) **Immediately preceding financial year.**

Net assets (RMB'000) / 净资产

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the respective periods (RMB cents)

The Group		The Company	
As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Jun 2019	As at 30 Dec 2018
222,372	223,273	122,549	124,258
87.2	87.6	48.1	48.8

Net asset value per ordinary share was calculated based on the 254,880,660 issued ordinary shares excluding treasury shares as at 30 June 2019 and 31 December 2018 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (c) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF PERFORMANCE
A Consolidated Comprehensive Statement of Income (HY2019 vs HY2018)
(i) Revenue

Compared to HY2018, the Group's total revenue for HY2019 fell approximately 4.0% or RMB4 million, from RMB100.7 million to RMB96.7 million attributed mainly to lower export sales.

Total revenue comprised domestic sales of approximately RMB66.2 million or 68.5 % and export sales RMB30.5 million or 31.5 % as compared to RMB64.7 million or 64.2% and RMB36.0 million or 35.8% in HY2018 respectively.

The increase in domestic sales of approximately RMB1.5 million or 2.3%, was attributed primarily to the increase in auxiliary sales of spray-painting services RMB5 million and ACP RMB0.7 million offset by the decrease in sales of ASP RMB4.2 million. The slowing economic growth and stringent governmental control of infrastructure projects within the PRC had affected the demand of our aluminium panels.

Export sales of primarily ACP fell by approximately RMB5.5 million or 15.3%, as a result of the continued trade tension and uncertainty between the United States and the PRC.

(ii) Gross Profit

Despite the lower sales in HY2019, gross profit increased by approximately RMB6.9 million due to higher gross profit margin. Gross profit margin increased from 2.5% to 9.8% in HY2019 due primarily to the higher gross margin from the sales of the fire proof ACP.

(iii) Operating Expenses

Total operating expenses decreased by approximately 6.9% or RMB0.8 million from approximately RMB12.2 million to RMB11.4 million attributed primarily to both lower Sales and distribution expenses. Administrative expenses were comparable to that of that of the previous period and remained relatively the same.

With lower revenue, selling and distribution expenses decreased by approximately RMB0.8 million or 23.5%, from RMB3.3 million to RMB2.5 million. The decrease was attributed mainly to the lower salary expenses and lower cost of shipment.

(iv) Other Operating Income

Please see explanatory note A to Part 1(a).

(v) Finance Costs

The interest expense was comparable to HY2018. The weighted average interest rate of 3.99% per annum remained the same as in the previous period.

(vi) Income Tax

As there was a loss from operation, no provision for taxation was made during the HY2019.

(vii) Net Loss After Taxation

Due to lower sales and despite the higher gross profit, the Group recorded a net loss of approximately RMB0.9 million as compared to a net loss of approximately RMB9.3 million for HY2018.

B Consolidated Balance Sheet (30 June 2019 versus 31 December 2018)

Total current assets increased by approximately 6.0%, or RMB1.1 million, from RMB227.6 million as at 31 December 2018 to RMB228.7 million as at 30 June 2019. This was primarily due to the following factors:

- i) decrease in inventories approximately RMB0.5 million.
- ii) decrease in trade debtors and bills receivables approximately RMB17.9 million due to lower sales.
- iii) decrease in cash and bank balances approximately RMB6.9 million attributed to cash used in operating activities RMB6.6 million and purchase of PPE RMB0.3 million.
- iv) Increase in advance payments approximately RMB16.8 million to a related party for the purchase of raw materials.
- v) Increase in amount due from related parties (trade) approximately RMB8.8 million.
- vi) Increase in other receivable, deposit and prepayments approximately RMB0.8 million.

Total current liabilities amounted to RMB57.3 million as at 30 June 2019, representing a decrease of approximately RMB0.4 million or 0.7% as compared to 31 December 2018.

C. Consolidated Cash Flow Statement

Cash and bank balances as at 30 June 2019 was approximately RMB18.1 million, a decrease of approximately RMB6.9 million as compared to the cash and bank balances RMB25.0 million as at 31 December 2018. The reduction was due to a net cash used in operating activities of RMB6.6 million and the cash used in the purchase of PPE approximately RMB0.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Our current result is in line with our statement made under paragraph 10 in our financial results announcement for the full year ended 31 December 2018 released on 28 February 2019.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The demand of our aluminium panels in the export markets will continue to be adversely affected by the uncertainty and the ongoing trade tension between China and the United States. Stringent governmental control and prudent expenditure on building infrastructure projects remain unchanged amidst the slower growth within the PRC.

To stay competitive, the Group will focus on increasing productivity growth and the need to innovate and introduce new designs of quality panels to capture the market share. We will remain vigilant on internal cost control, cash management and continue to safeguard the Group's assets.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the half year ended 30 June 2019.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interested person transactions conducted pursuant to a shareholders' general mandate are as follows:

Name of Interested Persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) for the half year ended 30 June 2019
	RMB'000	RMB'000
Jiangyin Haida Caitu Co., Ltd.		
-Reimbursement of electricity expenses	-	547
-Advances paid for purchase of raw materials *	-	(30,557)
-Purchase of raw materials	-	(52,498)
-Sales of paint	-	770
-Processing fee	-	(569)
Jiangyin East-China Aluminium Technology Co., Ltd.		
-Spray-painting income	-	12,322
-Purchase of raw materials	-	(1,123)
-Sales of paint	-	876

Save as disclosed above, there were no other interested persons transactions conducted for the half year ended 30 June 2019.

*Jiangyin Haida Caitu Co., Ltd. requires the Group to provide advances for purchases of raw materials. Such advances would be used to reduce payable for purchase transactions. The outstanding advances to Jiangyin Haida Caitu Co., Ltd. as at 30 June 2019 were approximately RMB40.3 million. (As at 31 Dec 2018: RMB23.5 million.)

14. Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the interim financial results for the half year ended 30 June 2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Xu Youcai
Chief Executive Officer
8 August 2019